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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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MAY 26 1998

Federal Communications Commission
Office of Secretary

In the Matter of)
)
)
Assessment of Prescribed Interexchange) CCB/CPD No. 98-34
Carrier Charges on Public Payphone)
Lines)
)

COMMENTS OF ONE CALL COMMUNICATIONS, INC.

One Call Communications, Inc. d/b/a Opticom ("Opticom"), through its undersigned counsel, hereby files these comments in response to the public notice released by the Federal Communications Commission ("FCC") in the above-captioned proceeding on May 4, 1998 ("Public Notice"). Opticom urges the Commission to eliminate the existing uncertainty and unequal treatment of payphones regarding the assessment of the primary interexchange carrier charge ("PICC charge").

INTRODUCTION & BACKGROUND

Opticom, a division of One Call Communications, Inc., is an operator service provider ("OSP") to both private and public payphones. Opticom provides operator services to over 150,000 payphones across the United States, and completes annually tens of millions of calls, providing personal live operator assistance to hundreds of thousands of callers every week. Opticom's operations are substantially affected by the application of PICC charges to public payphones.

Since the PICC charge became effective, the payphone industry has been plagued by the implementation of a patchwork of varied and discriminatory practices. As a general

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matter, however, LECs are assessing the PICC charge on the 1+ PICs for *private* payphones, but on the 0+ PIC for *public* payphones. Further, for public payphones, Opticom's experience has been that most LECs are assessing a \$2.75 per month PICC charge -- which equates to the multi-line business PICC charge, (coincidentally) the highest level PICC charge. Even this assessment, however, has not been consistent across all LECs or even within a single LEC over time. Just last month, some LECs apparently began charging \$1.75 per month.

When a LEC looks at a typical public payphone entry on its billing records, only one PIC -- the 0+ PIC -- generally is recorded because the 1+ traffic generally still defaults to AT&T in many places because only AT&T has direct trunking (which is inordinately expensive to duplicate) to each individual payphone.¹ Accordingly, the LECs typically are assessing the PICC charge to the 0+ PIC, which is the only visible PIC for most of these public payphones. By contrast, "smart" private payphones have a 1+ PIC, but most do not have a 0+ PIC because the payphone owner has programmed its own "dial-around" choice of an OSP into the phone itself. Accordingly, the 1+ PIC usually is assessed the PICC charge for these phones. The Commission should remove this uncertainty and the discrepancy of treatment between public and private payphones.

As directed in the Public Notice, Opticom provides the following responses to the questions raised by the Commission.

¹ In the Ameritech region, however, Opticom has installed direct trunking to certain public payphones when the cost structure supports such installations. Accordingly, Opticom is both the 0+ and the 1+ PIC for these payphones.

1. **We seek comment on all issues raised in the following letters to Common Carrier Bureau representatives.**

See responses to questions 2-6 below. In addition, Opticom wishes to clarify one issue raised in the letter filed by Teleconcepts Inc., namely the concern that LECs are “double-dipping” by assessing the PICC charge on both the 0+ *and* the 1+ PIC on a single public payphone. At least for the phones for which Opticom has the ability to confirm the information, particularly those public payphones in the Ameritech region for which Opticom is both the 0+ and the 1+ PIC, it does not appear that the LECs are assessing the PICC charge to multiple PICs on the same phone.

2. **Does the Commission’s existing rule governing collection of the PICC, 47 C.F.R. § 69.153, permit price cap LECs to impose PICC charges for LEC public payphone lines and, if not, whether the rule should be amended to provide explicitly for assessment of PICCs on public payphone lines?**

The Commission’s existing rule does not appear to have contemplated the imposition of PICC charges for LEC public payphone lines, or indeed for payphones at all. The Commission should clarify that the existing rule does not extend to PICC charges on LEC public payphone lines. Public payphones are fundamentally different from either residential or business lines -- the categories that the Commission did contemplate -- in many respects. First, public payphones can have both a 1+ and 0+ primary interexchange carrier (“PIC”), rather than a single PIC. Second, the transient nature of long distance calling on public payphones also makes them distinctly different from normal residential or business lines. Specifically, in restructuring access charges and imposing a flat-rate PICC charge, the Commission explicitly relied upon the assumption that business and residential

direct dial long distance calling would increase as long distance rates fall.² This assumption is simply not true for public payphones, however, because rate changes are unlikely to have any particular impact on transient long distance calling volume. Accordingly, because public payphones simply do not “fit” the model the Commission had in mind when establishing the PICC charge, it might make more sense to exempt LEC public payphones from the PICC charge rather than trying to fit a “square peg into a round hole.”

If the Commission determines, however, that the PICC charge should be imposed for LEC public payphones, then the Commission at a minimum must clarify the existing rule to specify both: (i) which of the many participants involved in providing payphone service must be billed for this charge; and (ii) which charge, *i.e.*, primary residential/single-line business, non-primary residential, or multi-line business, is applicable to LEC public payphones. Opticom addresses these specific issues in response to the questions below.

3. **Assuming that price cap LECs are permitted to assess PICC charges on public payphone lines, should the PICC be: (a) charged to the presubscribed 1+ carrier; (b) charged to the presubscribed 0+ carrier; (c) imputed to the LEC's payphone unit as an end user; (d) split evenly between the 1+ and 0+ PIC; or (e) prorated among all IXC's that carry calls originating from a particular payphone each month?**

If the Commission determines that LECs should be permitted to assess PICC charges on public payphone lines, the PICC charge should be imputed to the LEC payphone unit as an end user (as the Commission has already done for end users in other contexts where there is not a PIC). This effectively would equalize the treatment of public and private payphones, because the PICC charge usually is assessed on the 1+ PIC for private payphones, which in turn generally pass the charge through to the private payphone owner.

² See *Access Charge Reform*, 12 FCC Rcd 15982, 15990 (1997).

Because public payphone PICs cannot easily receive the charge from the LEC and pass it back “through” to the LEC, the Commission should require that the LEC impute the charge to its own payphone unit.

If the Commission rejects this option, however, another alternative is to require that the PICC charge be assessed on the 1+ carrier for the public payphone. Again, this option roughly equalizes the treatment of public and private payphones. In addition, on most public payphones (with the exception of hotels and perhaps certain other locations), the 1+ carrier is carrying the vast majority of the long distance minutes on the payphone, so this arrangement is more equitable. To demonstrate the breakdown of 1+ and 0+ minutes on the typical public payphone, Opticom selected one hundred random payphones in the Ameritech region for which Opticom is both the 0+ and the 1+ PIC. The chart attached as Exhibit A shows this breakdown for the month of April 1998; the notation “not available” indicates that there were *no* minutes of use. This chart demonstrates that approximately 80% of these randomly selected public payphones carried more 1+ than 0+ minutes of use, and, in many cases, vastly more.

4. **Should all public payphones be charged the multiline business PICC, or should some public payphones, such as those that constitute the only telephone line at a given location, be charged the single-line business PICC?**

If the Commission determines that the PICC charge should be assessed for public payphone lines, the single-line business PICC of \$0.53 is the correct charge. Only one line extends to each public payphone, and most public payphones are the only available payphone (and often the only phone at all) in many locations, *e.g.*, gas stations, bus stops, street corners, and other similar locations. Accordingly, assessment of the \$2.75 PICC charge is inequitable and illogical.

5. **Do policy reasons, practical considerations or other factors suggest that price cap LECs should be permitted to assess PICCs on the LEC's public payphone lines that are different in amount, or collected from a different party, from those assessed on privately-owned payphones?**

No. All payphones, whether private or public, should be treated in the same manner.

6. **To what degree could imposition of PICC charges on any of the parties listed in Question 3, above, cause reductions in the availability of public payphone services, increases in rates, or reduction in competition for interstate, interLATA traffic originating from public payphones?**

Imposition of the PICC charge to the 0+ PIC on public payphones could result in significantly reduced availability of service to the public. Many of the LEC public payphones -- which are located for public interest reasons in areas of customer need rather than in areas that maximize profit -- do not earn \$2.75 a month in 0+ profit. Some LEC payphones produce no 0+ revenue in some months.³ Accordingly, OSPs cannot economically serve these payphones. Therefore, many public payphones will not be able to keep a 0+ PIC if the \$2.75 PICC charge is assessed to that PIC. Consumers will lose 0+ calling ability for these phones, and, without the option to make collect calls or credit card calls, they will be restricted to coin calls from these public payphones.

³ See Exhibit A, which demonstrates that for 100 randomly selected payphones, nearly 30% generated no 0+ minutes of use during a one-month sample period, and an additional approximately 25% generated only single-digit minutes of use.

CONCLUSION

Accordingly, the Commission should act to eliminate the uncertainty and unequal treatment of public payphones as indicated above.

Respectfully submitted,

Of Counsel

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Counsel for One Call Communications, Inc.

May 26, 1998

EXHIBIT A

ANI's

ANI	1+ MINUTES	0+ MINUTES
330-929-2841	50.48	12
313-295-9638	86.21	21
708-547-9723	101.20	445
317-890-1712	101.96	39
219-879-4719	132.40	3
219-879-9556	60.84	10
248-545-9407	85.95	64
765-677-1374	66.36	18
812-423-0542	48.49	20
937-294-9026	59.03	360
313-521-9310	83.40	4
614-236-9940	40.62	14
812-526-9942	34.15	16
812-378-0928	29.44	84
248-333-9891	54.00	7
614-426-9645	96.40	NOT AVAILABLE
812-424-3592	27.58	NOT AVAILABLE
414-634-9984	26.38	2
614-922-9053	54.15	NOT AVAILABLE
317-841-1348	37.60	33
317-398-0087	30.03	87
419-627-9903	36.44	NOT AVAILABLE
937-276-9459	22.37	48
810-736-9829	25.85	NOT AVAILABLE
765-569-9408	73.16	9
810-752-9519	23.78	11
330-535-3359	53.67	NOT AVAILABLE
812-937-2680	34.23	2
812-867-7348	42.51	132
317-398-9125	32.33	46
812-526-5486	30.68	68
765-644-9901	40.73	6
765-342-9098	16.15	9
219-277-1571	9.90	4
614-454-9348	11.43	NOT AVAILABLE
317-831-0751	17.08	NOT AVAILABLE
313-281-9211	25.43	NOT AVAILABLE
216-671-9655	8.25	NOT AVAILABLE
414-647-9307	9.75	NOT AVAILABLE
330-626-9610	17.37	1
765-529-9849	8.30	7
812-897-4693	6.77	NOT AVAILABLE
765-289-0670	8.75	NOT AVAILABLE
440-834-9119	11.96	5
773-261-9317	17.84	1
313-522-9772	7.88	NOT AVAILABLE
765-832-9011	3.70	NOT AVAILABLE
419-627-9104	5.45	NOT AVAILABLE
248-852-9780	4.82	NOT AVAILABLE
810-233-9403	8.57	13

ANI's

ANI	1+ MINUTES	0+ MINUTES
614-446-9075	248.36	NOT AVAILABLE
765-529-0396	143.11	1
847-223-9857	720.97	44
812-372-3741	105.42	141
217-423-9314	385.62	NOT AVAILABLE
812-882-7899	845.57	3
313-475-9806	70.37	NOT AVAILABLE
812-867-9025	127.22	NOT AVAILABLE
414-248-9905	42.52	91
708-547-9735	99.32	413
248-589-9767	202.01	117
614-446-9116	122.65	NOT AVAILABLE
219-277-1547	155.22	22
313-475-9927	113.55	NOT AVAILABLE
219-879-9556	78.40	19
219-283-0438	156.23	169
765-349-1443	87.78	42
513-539-9332	51.95	28
414-647-9796	92.62	2
765-724-1080	185.42	15
937-294-9026	1097.70	70
414-878-9940	109.90	27
330-929-2841	63.82	7
219-272-0043	28.49	52
212-237-0012	207.41	246
616-385-9605	31.27	22
765-644-9534	112.80	22
414-657-9511	27.33	NOT AVAILABLE
440-834-9196	22.17	1
414-859-9577	47.47	20
414-654-9758	15.89	37
219-885-9687	81.83	NOT AVAILABLE
812-331-1708	32.15	51
937-324-9524	22.59	41
313-295-9638	46.70	NOT AVAILABLE
313-384-1997	23.15	NOT AVAILABLE
812-378-2123	37.10	23
513-424-9184	31.30	18
419-635-8022	36.58	3
740-852-9191	39.16	39
812-277-0791	37.60	NOT AVAILABLE
313-668-9046	24.10	NOT AVAILABLE
810-736-9829	25.05	2
812-332-7919	30.07	11
216-361-9409	16.35	5
313-964-8085	18.37	31
708-447-9852	21.74	27
414-473-0762	18.76	6
317-784-0789	2.46	5
740-633-9921	2.26	2

CERTIFICATE OF SERVICE

I, Kathryn M. Stasko, do hereby certify that the foregoing **COMMENTS OF ONE CALL COMMUNICATIONS, INC.** were delivered, via first class mail, postage prepaid, on this 26th day of May, 1998, to the following:

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